

Message Text

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 OES-06 EA-09 PM-04 DODE-00

AID-05 CIAE-00 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00

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FMC-02 PA-02 PRS-01 /090 W

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FM AMCONSUL DHAHRAN

TO SECSTATE WASHDC 4862

USDOC WASHDC

INFO AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY KUWAIT

AMEMBASSY JIDDA

AMEMBASSY MANAMA

UNCLAS DHAHRAN 0870

E.O. 11652: N/A

TAGS: EWWT, BGEN, EGEN, SA

SUBJECT: DAMMAM PORT SITREP

REF: DHAHRAN A-15, USMTM MSG (DTG P R 221112Z JUN 76)

1. AS OF JULY 3 DAMMAM PORT HAD 152 VESSELS REGISTERED TO BERTH (AS COMPARED WITH 145 VESSELS ON MAY 22). CARGO ON SHIPS WAITING TO BE DISCHARGED IS CALCULATED TO BE 828,000 TONS, A TEN-PERCENT INCREASE SINCE MAY 22. NEW SHIPS REGISTERING TO BERTH CAN ANTICIPATE AN 84-DAY DELAY, VS A 90-DAY DELAY SIX WEEKS PREVIOUSLY.

2. MESSAGES UNDER REFERENCE PROVIDE A MORE DETAILED ASSESSMENT OF SITUATION IN PORT OF DAMMAM. IN GENERAL, PORT RECORDED MODEST IMPROVEMENTS IN PRODUCTIVITY IN JUNE WHICH WERE OFFSET, TO SOME DEGREE, BY TURBULENT WEATHER CONDITIONS WHICH DETERRED, FOR SEVERAL DAYS, SHIPS FROM DISCHARGING INTO LIGHTERS WHILE
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ANCHORED IN THE STREAM. ALSO, DISCHARGE RATES IN BARGE PORT (SEE

REFAIR) CONTINUE TO IMPROVE, ALTHOUGH HAVE NOT ATTAINED TONNAGE TARGETS HOPED NOR IS BARGE PORT MANAGEMENT COMPANY OPERATING NUMBER OF BERTHS THAT WAS ANTICIPATED WOULD BE UNDER ITS CONTROL BY JULY 5. NEVERTHELESS, US LASH-LINE REP VISITING DAMMAM IN EARLY JUNE WAS DELIGHTED TO FIND LASH BARGES THAT HAD ONLY ARRIVED TEN DAYS BEFORE WERE BEING DISCHARGED. THIS, HE NOTED WAS SHARP IMPROVEMENT

OVER MINIMUM TWO-MONTH DISCHARGE DELAY THAT WAS COMMON AT BEGINNING OF 1976. ALSO, JOINT VENTURE (BETWEEN KANOO AND AL GOSAIBI -- TWO LEADING STEVEDORING COMPANIES OPERATING IN DAMMAM PORT) IS SCHEDULED TO BRING IN 1500 KOREANS TO WORK SHIPS AT DEEP-WATER BERTHS AND HOLDS PROMISE OF SIGNIFICANT INCREASE IN PORT PRODUCTIVITY LATE IN YEAR.

3. COMMENT: SUSTAINED IMPROVEMENT IN BARGE PORT SHOULD LEAD TO GENERAL IMPROVEMENT IN COMPETITIVE POSITON OF US EXPORTS TO SAUDI ARABIA. THREE US LINES, GULF CENTRAL, PACIFIC FAR EAST, AND WATERMAN, CARRY BULK OF BARGES DISCHARGED IN DAMMAM'S BARGE PORT. IF LASH-BARGE DISCHARGE TIME IN DAMMAM PORT CAN BE REDUCED SIGNIFICANTLY, GROUNDS FOR 90-PERCENT CONGESTION SURCHARGE WHICH US LASH CARRIERS CURRENTLY LEVY ON CARGOES TTLY CARRY TO DAMMAM WILL BECOME INCREASINGLY DIFFICULT TO JUSTIFY. WE NOTE THAT THERE IS ALREADY GROWING SAUDI DISSATISFACTION (ALBEIT MUTED AS YET) THAT LASH CARRIERS CHARGE 90-PERCENT SURCHARGE RATES WHILE ENJOYING IMPROVED CARGO HANDLING SERVICE IN DAMMAM. CONSEQUENTLY, WE RECOMMEND USDOC AND US EXPORTERS BRING SITUATION TO ATTENTION OF US LASHICARRIERS AND ARGUE FOR EARLY REDUCTION OF PRESENT HIGH CONGESTION SURCHARGE.

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